

# MEDICAID FORUM FEEDBACK

Close to 400 advocates, service providers and citizens gathered on Friday, January 4, 2002 to listen, discuss and give feedback on Family and Social Service Administration's Medicaid Balanced Budget Plan. It was a very positive and enlightening experience for all of us involved, and we very much appreciate the input and offers to work together. Working as partners, we can protect our most vulnerable citizens and our tax dollars.

John Hamilton, Secretary  
Family and Social Services Administration

Following the presentation of Medicaid's Balanced Budget Plan, participants split into six small workgroups to discuss the plan and give their input. Listed below are comments from those breakout sessions. Feedback was given in four areas: positive, needs improvement, suggestions and what is missing from the plan.

## **Positive areas of the Plan:**

### **1. Cost Containment**

*Estimated State Savings \$18.5 million*

- Enforce Medical Support Orders
- Require Pharmacies to Bill Insurance Companies First
- Require Medicare Certification for Nursing Facilities
- Eliminate non-Medicaid Costs to Nursing Facility Rates

### **2. Enhance System Integrity and Program Effectiveness**

*Estimated State Savings \$30 million*

- Enhance Fraud and Error Monitoring
- Increase Use of Restricted Card
- Implement Hard Prospective Drug Review (DUR) Edits
- Standardize Eligibility Periods

### **3. Revenue Enhancement**

*Estimated Revenue \$44 million*

- Maximize Federal Medicaid Funding
- Adjust Disproportionate Share Payments
- Implement Temporary Nursing Facility Provider Fee

Reinvesting Long term Care Savings to Serve Recipients - *Long Term Care Transition Fund*

## **Areas Needing Improvement:**

### **1. Promote Appropriate and Cost Effective Drug Utilization**

*Estimated State Savings \$40.6 million*

- Limit Number of Brand Name Prescriptions
- Develop a Preferred Drug List
- Expand Indiana Rational Drug Program (IRDP)
- Expand the Over-the-Counter (OTC) Drug Formulary
- Limit Days Supply
- Develop a Prescriber Education/Notification Program
- Establish a Pharmacy and Therapeutics (P&T) Committee

### **2. Close Eligibility Loopholes**

*Estimated State Savings \$5.5 million*

- Eliminate Asset Shelter - Bonds
- Eliminate Asset Shelter - Funeral/Burial Trusts
- Tighten Definition of Estate
- Obtain Lien Authority

### **3. Modify Optional Services:**

*Estimated State Savings \$10.6 million*

- Impose Annual Cap on Adult Dental Services
- Limit Chiropractic Services

## **Suggestions/Questions about the Plan:**

- Does the state have the personnel capacity to implement change?
- Consider spousal/parent impoverishment clause for people on Medicaid for Medicaid Waivers.
- Involve the General Assembly in a similar presentation.
- Do not count on nursing facility provider fees.
- The plan needs to address prevention efforts.

## **What was missing from the Plan:**

- Long range planning with associated costs/savings.
- Hospital Emergency Room cost containment.
- The possible use of tobacco money.
- Review alternatives to expanding mandatory managed care and recipient choice with the program.
- Alternatives to establishing nursing home occupancy rates.